

SENATE BILL REPORT

SB 5746

As Reported By Senate Committee On:
Ways & Means, February 24, 1999

Title: An act relating to the exemption for new and rehabilitated multiple-unit dwellings in urban centers.

Brief Description: Modifying certain exemption language for new and rehabilitated multiple-unit dwellings in urban centers.

Sponsors: Senators Wojahn and Rasmussen.

Brief History:

Committee Activity: Ways & Means: 2/18/99, 2/24/99 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5746 be substituted therefor, and the substitute bill do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fairley, Honeyford, Kline, Kohl-Welles, Long, Rasmussen, Rossi, B. Sheldon, Snyder, Spanel, Thibaudeau, West, Winsley and Wojahn.

Staff: Terry Wilson (786-7433)

Background: In cities with a population of at least 100,000, or the largest city or town in a county planning under the Growth Management Act if there are no cities of that size, the value of new housing construction, conversion, and rehabilitation improvements for multiple-unit housing in targeted urban areas is exempt from property taxation for ten years under certain conditions.

The project must be in an urban area that is designated by the city as lacking sufficient desirable and convenient residential housing. At least 50 percent of the project space must be used for permanent housing.

Application must be made by April 1 prior to construction. Construction must be completed within three years of application. Upon completion of construction, a certificate of tax exemption is filed with the county assessor.

The tax exemption begins on January 1 of the year immediately following the calendar year after issuance of the certificate of tax exemption. In other words, the property is subject to tax in the year following issuance of the certificate of tax exemption and exempt from taxes payable in the year after that.

Summary of Substitute Bill: The exemption begins on January 1 of the year immediately following the year of issuance of the certificate of tax exemption. Application can be made at any time.

Substitute Bill Compared to Original Bill: The substitute bill eliminates the April 1 application deadline.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: This is a technical fix. Another technical fix that should be done is to eliminate the April 1 application deadline.

Testimony Against: None.

Testified: Randy Lewis, City of Tacoma (pro).